RJ Reynolds
Tobacco Company

G. N. Kuruc, Jr.
400 Raritan Center Parkway
Raritan Center
Edison, NJ 08837
Phone 732-225-4774
Fax 732-417-9076

June 19, 1998

To: Mike McHugh

Subject: **Wakefern Food Corporation**

Dear Mike:

As you know Wakefern Food has discontinued all Price Plus (buy down) Programs and has also directed its supermarkets in New Jersey not to accept manufacturer coupons due to the State Minimum Pricing issue currently being addressed by our Legal Department.

A check of Shop Rite Stores this past week indicates that Wakefern has supplied signs to each store indicating the new policy of not accepting manufacturers' coupons, and also indicating store cigarette prices. I also noted that BAT's GPC Brand is priced $2.00 lower than all other Branded Savings Brands. I have since learned that BAT is giving $2.00 Off Invoice on all GPC (special sniped) Product until further notice. Needless to say this places DORAL at a serious pricing disadvantage in over 200 Shop Rite Stores.

Since the inception of the additional $4.00 per carton New Jersey State Tax in January Wakefern's total cigarette business is down 22%. DORAL share is down .7% (-29.5% volume), while Basic is up .5%. and GPC is up over .4%.

We need to address this situation immediately or suffer the consequences of further possible share and volume losses.

Your assistance with this matter is greatly appreciated.

Sincerely,

Nick

G. N. Kuruc, Jr.
cc: M. A. Young

51853 5003

Source: https://www.industrydocuments.ucsf.edu/docs/rqkn0000